

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

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*In re:*

Marc Harold Ferris and  
Tracie Kay Ferris,  
*Debtor(s)*

DEBTOR'S RESPONSE TO  
CREDITOR IRS OBJECTION TO  
CONFIRMATION OF CHAPTER 13  
PLAN AND MOTION TO DISMISS/  
DEBTORS' OBJECTION TO PROOF  
OF CLAIM

Case No.: 04-32869

On June 21, 2004, Creditor IRS filed a proof of claim form stating that the total amount of the IRS claim was \$100,204.96. This amount related to estimated income taxes owing for 1994, 1995, 1998, 1999, 2000, 2001, 2002 and 2003, and penalties and interest for 1994 and 1995 tax years.

On August 4, 2004, Debtors filed income tax returns for 1998, 1999, 2000, 2001, 2002, 2003. The federal tax returns were hand delivered to Jean A. Krysinski at the Internal Revenue Service. The state tax returns were mailed to the Minnesota Department of Revenue.

The income tax returns indicate that the Debtors were entitled to refunds for each of these tax years as follows:

<u>Year</u>	<u>Federal</u>	<u>State</u>
1998	\$3,681.00	\$1,856.48
1999	\$1,135.58	\$ 733.85
2000	\$3,443.24	\$ 969.60
2001	\$2,170.00	\$ 888.00
2002	\$4,239.34	\$1,604.00
2003	\$4,108.00	\$1,717.00

On August 17, 2004, counsel for the Debtors contacted Ms. Jean Krysinski at the Internal Revenue Service to inquire as to the current amount of the IRS's claim. Ms. Krysinski indicated that the tax returns were being processed. She indicated that the IRS will amend its claim as soon as taxes/refunds are assessed.


It is the Debtors' belief that, after application of the tax refunds, they will not owe any amount of money to the IRS or Minnesota Revenue. Instead tax refunds will be paid to the

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Debtors and will be available to the Trustee in the Chapter 13 Plan. For that reason, the Second Modified Plan does not provide for payment to the IRS or Minnesota Revenue. Debtors respectfully ask that the Court overrule the Creditor IRS's objection and that creditor's motion to dismiss be denied at this time.

CLOUTIER LAW OFFICES, PA

Dated: 8/25/04

By:   
Elizabeth A. Cloutier (#192661)  
Attorney for Debtors  
250 Northstar East Building  
608 Second Avenue South  
Minneapolis, MN 55402  
(612) 332-5100

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF MINNESOTA

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In re: Marc Harold Ferris,  
Tracie Kay Ferris  
Debtor(s).

Case No.: 04-32869  
Chapter 13

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U.S. BANKRUPTCY COURT  
ST. PAUL, MN

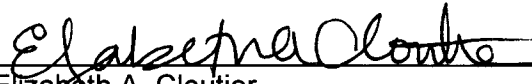
**AFFIDAVIT OF SERVICE BY FACSIMILE AND U.S. MAIL**

The undersigned, attorney for Debtors and licensed to practice law in this court, with offices at 608 Second Avenue South, Suite 250, Minneapolis, MN 55402, deposes and states below, I served a **Debtors' Response to Creditor IRS's Objection to Confirmation of Chapter 13 Plan and Motion to Dismiss/Debtors' Objection to Proof of Claim**, upon each of the entities named below by facsimile and United States Mail at their last known address:


Mr. David L. Zoss  
Special Assistant United States Attorney  
380 Jackson Street, Suite 650  
St. Paul, MN 55101

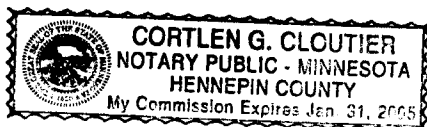
I declare, under penalty or perjury, that the foregoing is true and correct.

Dated 8/25/04

  
Elizabeth A. Cloutier

Subscribed and sworn to before me  
this 25th day of August, 2004.

  
Notary Public



# CLOUTIER LAW OFFICES, PA

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U.S. BANKRUPTCY COURT  
ST. PAUL, MN

August 25, 2004

## VIA FAX AND U.S. MAIL

Mr. David L. Zoss  
Special Assistant United States Attorney  
380 Jackson Street, Suite 650  
St. Paul, MN 55101

RE: Bankruptcy of Marc Harold Ferris and Tracie Kay Ferris  
Court File No.: 04-32869

Dear Ms. Washburn:

Enclosed herewith and served upon you via facsimile and U.S. Mail is Debtors' Response to Creditor IRS's Objection to Confirmation of Chapter 13 Plan and Motion to Dismiss/Debtors' Objection to Proof of Claim.

Very truly yours,

Elizabeth A. Cloutier

EAC/tkf

cc: United States Trustee  
Jasmine Keller, Chapter 13 Trustee  
U.S. Bankruptcy Court  
Marc and Tracie Ferris